

# Enterprise 5G Monetization:

A core issue for CSPs

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# Enterprise 5G: Appetites are growing for new experiences

**Forty percent of enterprises have some experience of 5G today, according to Omdia research.**

Enterprises are beginning to buy into 5G for the business outcomes that this technology can help support: notably enabling real-time decision-making, better operational efficiency, and new customer experiences.

But transformational uses of 5G are still limited to a narrow business-to-business (B2B) customer segment—typically large enterprises—and a single flavor of 5G, usually a custom private network deployment.

## A GROWING EMERGENCY

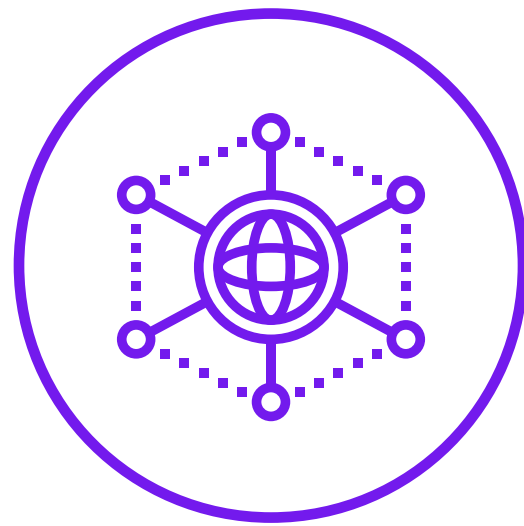
The status quo is a growing emergency for communication service providers (CSPs). The wider B2B universe is missing out on a rich portfolio of 5G-based solutions that could make businesses more resilient, efficient, and innovative.

This also means that enterprise 5G contribution to CSP revenue growth and diversification could be at risk.

How can CSPs accelerate and encourage 5G take-up across the wider B2B universe? Running the CSP's mobile core as software as a service (SaaS) in a public cloud is one approach that may help.



# A mobile core as SaaS could address some enterprise 5G challenges



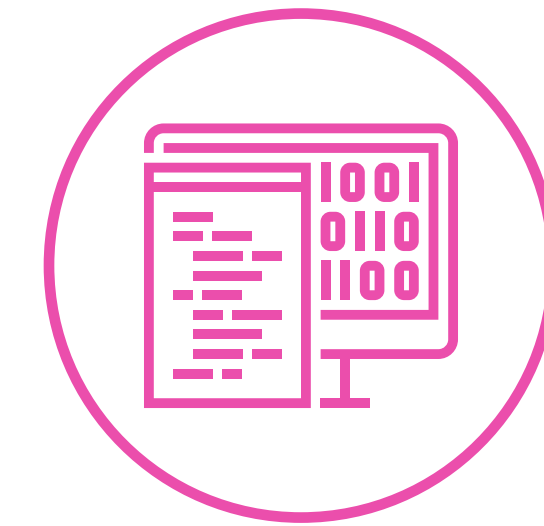
## What is a mobile core?

The core is the brain of the mobile network. It manages all aspects relevant to subscribers, including mobility management, routing, data download speeds, and charging.



## How does a mobile core operate?

Traditionally, a CSP's in-house experts run core functions on a custom private (on-premises) cloud infrastructure, although routine maintenance is often outsourced.



## Why mobile core as SaaS?

Running a mobile core as SaaS in a public cloud offers lower setup costs and faster time to market. Service experimentation—for one-off or mass consumption—is easier, and resources can scale reliably on the fly as demand grows.

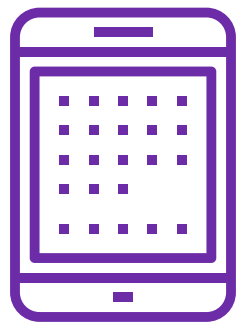
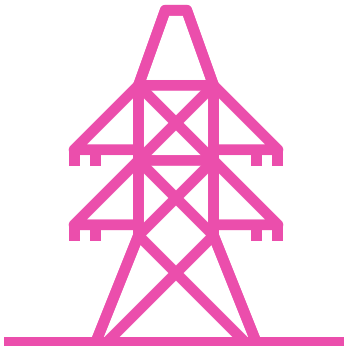

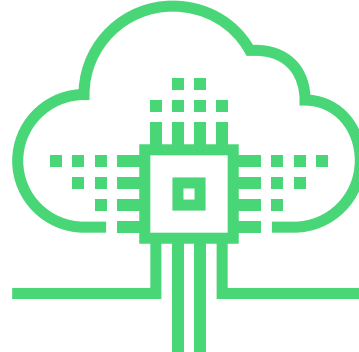

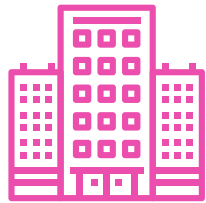




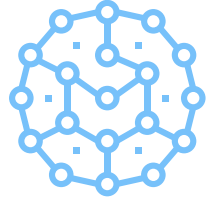
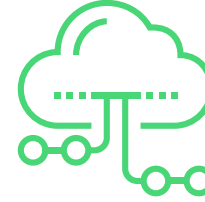
# Enterprise 5G represents a rich menu of digital services

Enterprise 5G includes multiple value propositions serving different business needs in value and operational complexity.

But consuming the 5G portfolio is not as simple as it could be. Most enterprise 5G services are not available on demand.

CSPs do not have the operational agility to provide this yet, even when enterprises are eager to adopt new services such as 5G network slicing.

## THE ENTERPRISE 5G PORTFOLIO

	OFF THE SHELF		A LA CARTE	
SERVICE	 Public 5G	 5G FWA	 Private 5G	 5G Network slicing
PROPOSITION	<b>Anywhere productivity</b>	<b>When time is money</b>	<b>Optimal control, ultimate security</b>	<b>My experience, my way</b>
FOCUS	Person 	Site 	Campus+ 	Virtual group 
CONSUMPTION	Personal device 	Router 	5G core, access points 	Virtual 5G "slice" 

SOURCE: OMDIA

# CSPs are limiting their enterprise 5G potential



**Fewer than 0.5%**

of the world's businesses are primary enterprise targets of CSPs.



**98% of businesses**

do not need the private 5G services that CSPs are most eager to promote.



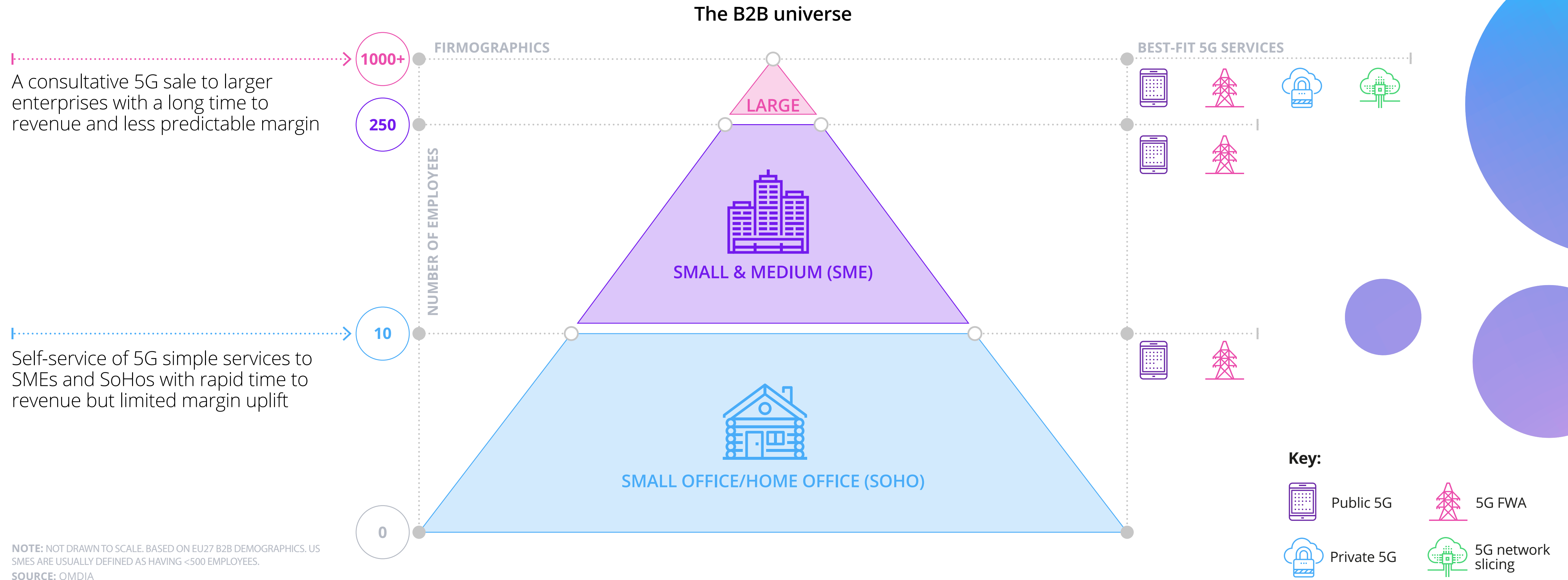
**A third**

of big businesses want to use 5G network slicing but cannot buy the service off the shelf.

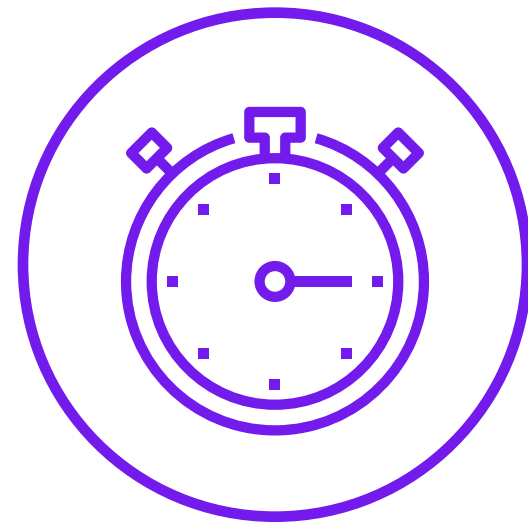
CSPs are focusing their 5G efforts on large enterprises. This is partly because CSPs do not have cost-effective ways to test and industrialize more complex 5G value propositions targeting smaller firms.



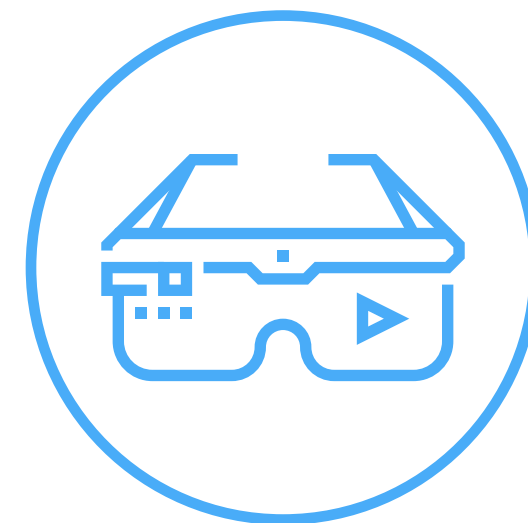
# The status quo: Time to revenue remains slow



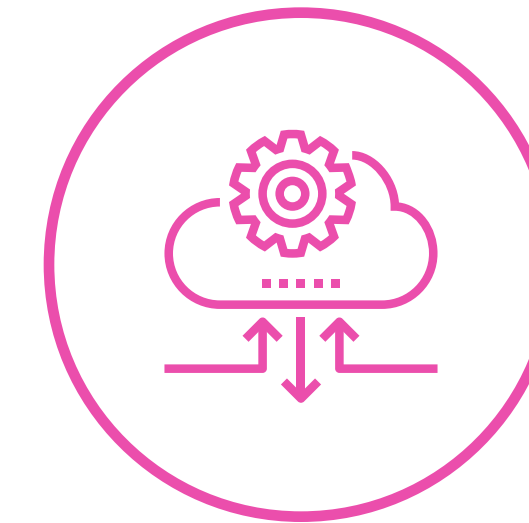
# Value is shifting from connectivity to real-time experiences



**56%** will pay for **real-time data analytics** and **enhanced SLAs**



**9 out of 10** enterprises see compelling use cases for **immersive technologies** (AR, VR, XR)



**34%** of enterprises expect to invest in **5G network slicing** within the next two years

# Be predictably predictable

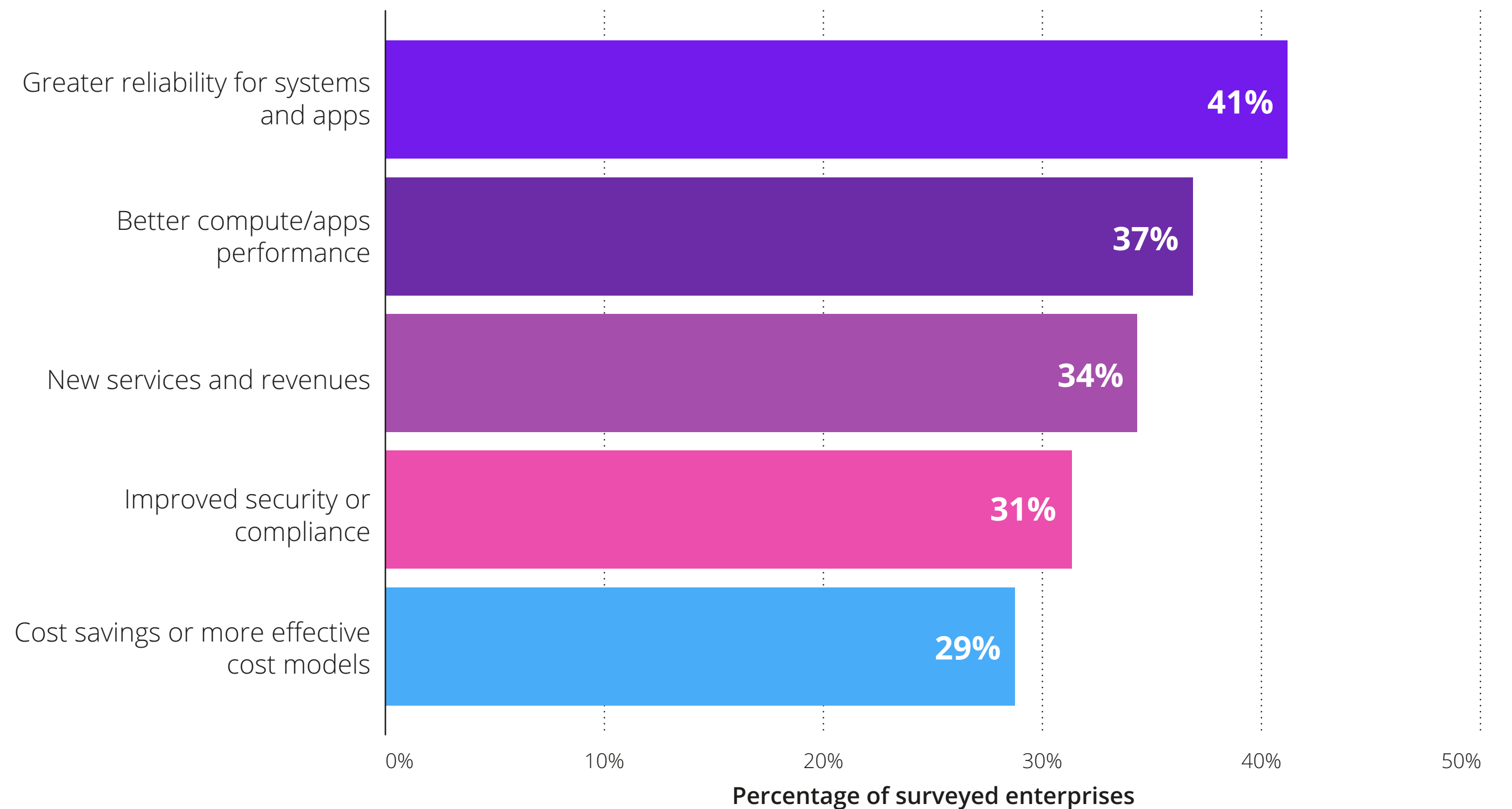
## QUALITY IS THE TOP DECISION DRIVER

- Enterprises of all sizes, from SoHos and SMEs to multinational enterprises, are willing to pay for better digital experiences.
- Securing experience is fundamental for consideration of more complex services combining 5G with edge, XR, analytics, and beyond to deliver compelling business outcomes.

### HOW A MOBILE CORE AS SAAS CAN HELP

The on-demand model guarantees resource availability, ensuring digital experience is never compromised. A rock solid platform then builds trust to try more complex services and experimental business models.

## Enterprises' top expected 5G benefits



NOTE: N=160  
SOURCE: OMDIA

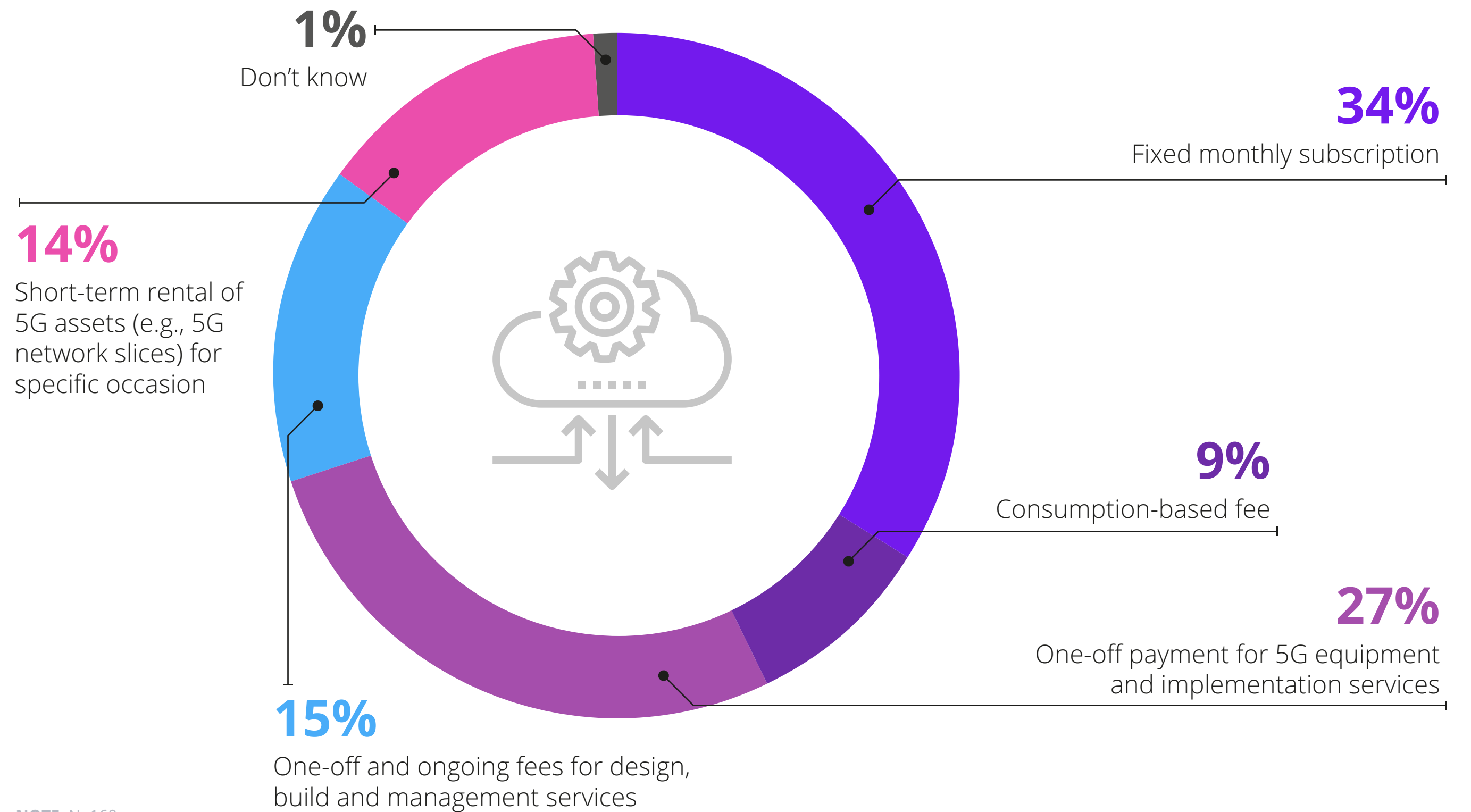


# Make consumption simple

## ENTERPRISES DON'T WANT SURPRISES

- Enterprises want to avoid 5G sticker shock.
- Only 10% favor a pay-as-you-use model.
- Subscription is the most recognized and desirable payment model (do not confuse payment preference with consumption preference).

## Enterprises, preferred payment model to access 5G resources



NOTE: N=160  
SOURCE: OMDIA

### HOW A MOBILE CORE AS SAAS CAN HELP

A mobile core as SaaS offers CSPs deep control over network resource allocation and performance using a predictable subscription model aligned to what enterprises want too.



# Satisfy operational expectations

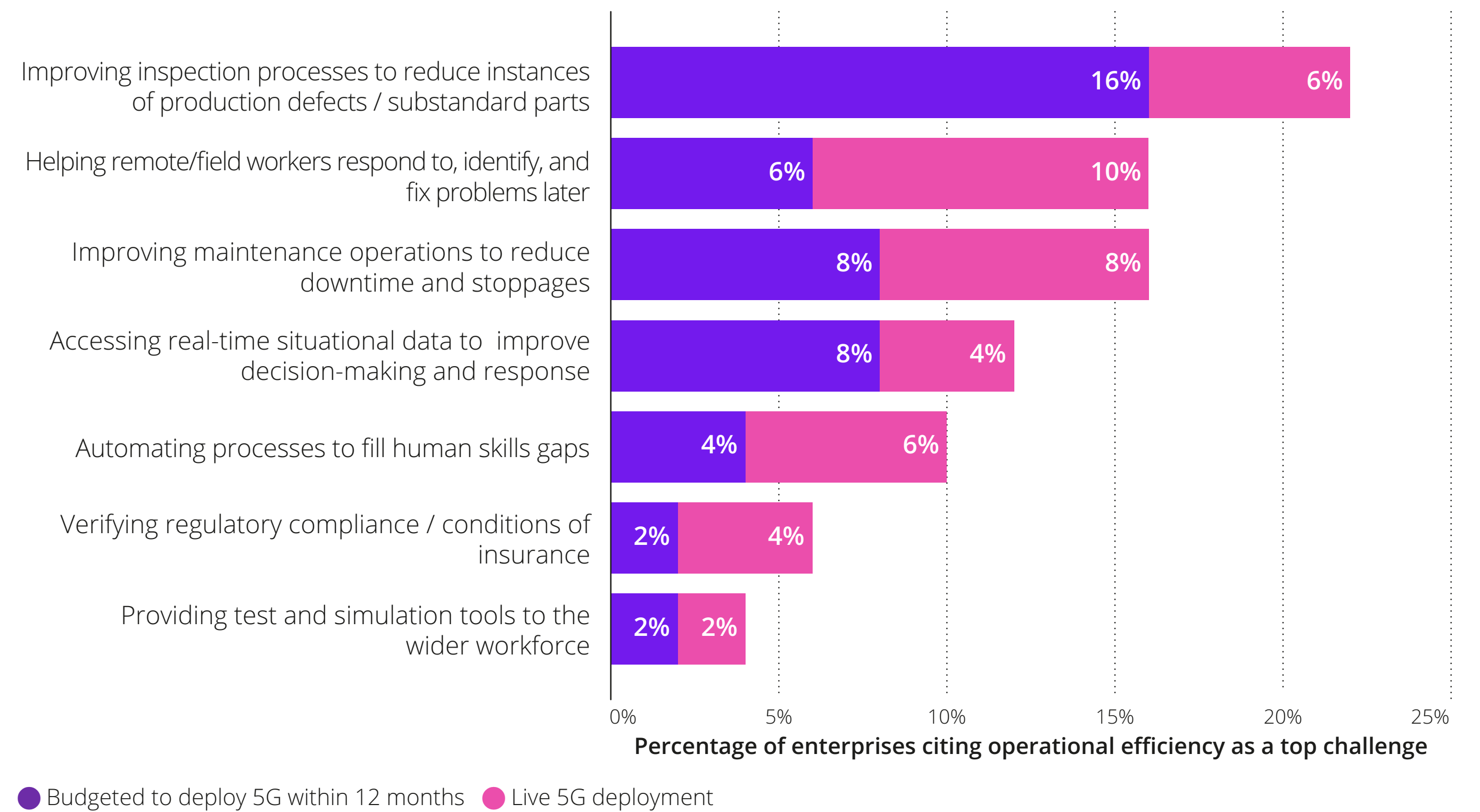
## EXCELLENCE MOTIVATES ENTERPRISES TO INVEST

- Today's enterprise decision makers want 5G to improve quality in products and in how people work.
- Real-time decision-making and automated processes are also highly awaited investment cases.
- Future uses will rely on operating fail-safe low-latency environments, often using autonomous vehicles.

### HOW A MOBILE CORE AS SAAS CAN HELP

It is an elegant and automated delivery model, learning via artificial intelligence. Humans simply cannot manage the complex consumption uses around 5G that are attracting future investment.

## Top enterprise 5G investment areas



NOTE: N=49  
SOURCE: OMDIA



# React fast to demand

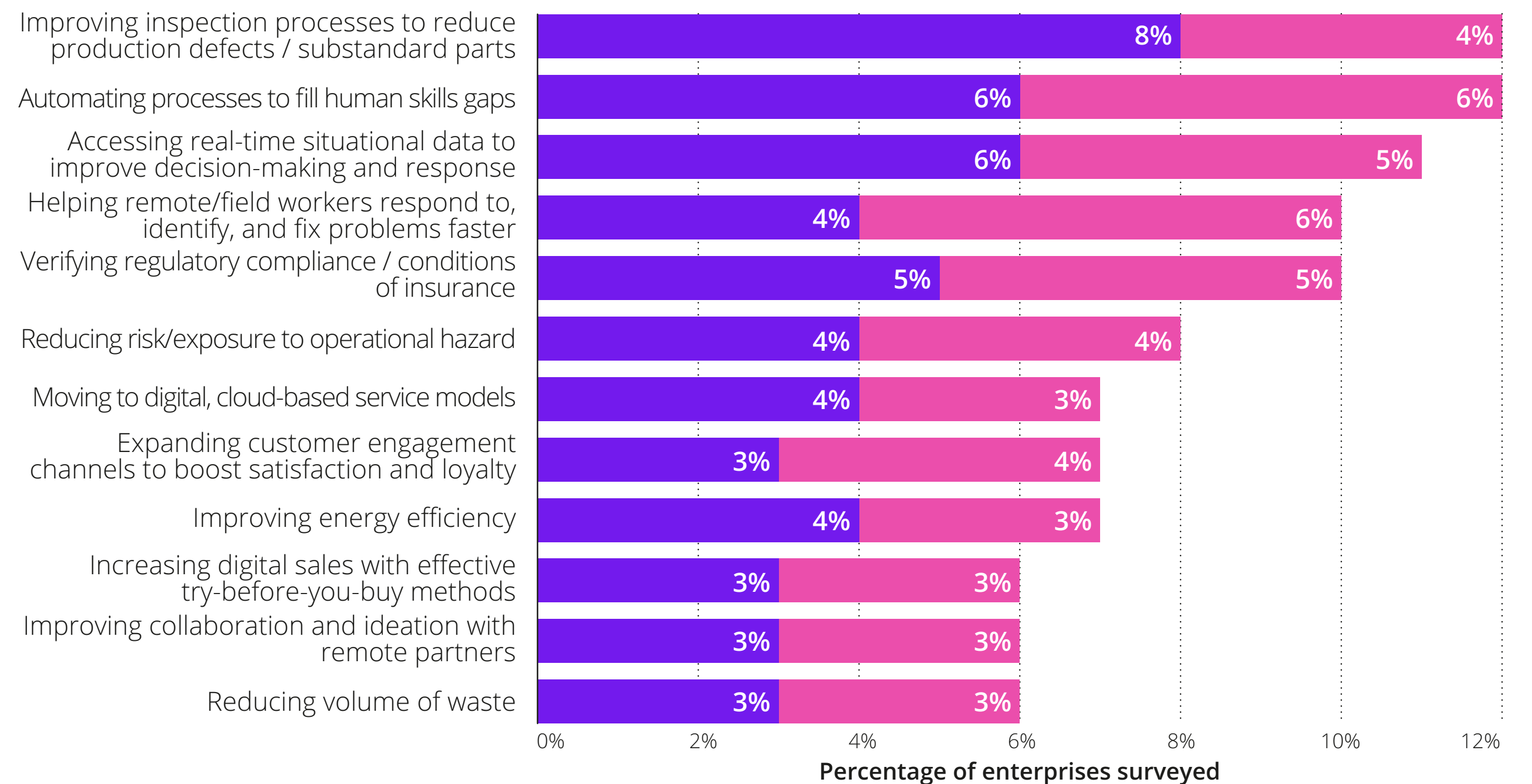
## PIVOT AS CUSTOMER NEEDS EVOLVE

- Productivity gains are a potent trigger for current enterprise 5G investment.
- Improved quality of output and better decision-making are future drivers of 5G investment.
- Verifying compliance is another important driver.

### HOW A MOBILE CORE AS SAAS CAN HELP

Mobile core as SaaS can help CSPs deliver and support an increasingly complex range of technologies and variable resource needs.

## Top 10 enterprise 5G investment areas



● Budgeted to deploy ● Live now

NOTE: N=160; 5G INVESTMENT, CURRENT AND IN THE NEXT 12 MONTHS

SOURCE: OMDIA



# Mirror customers' habits

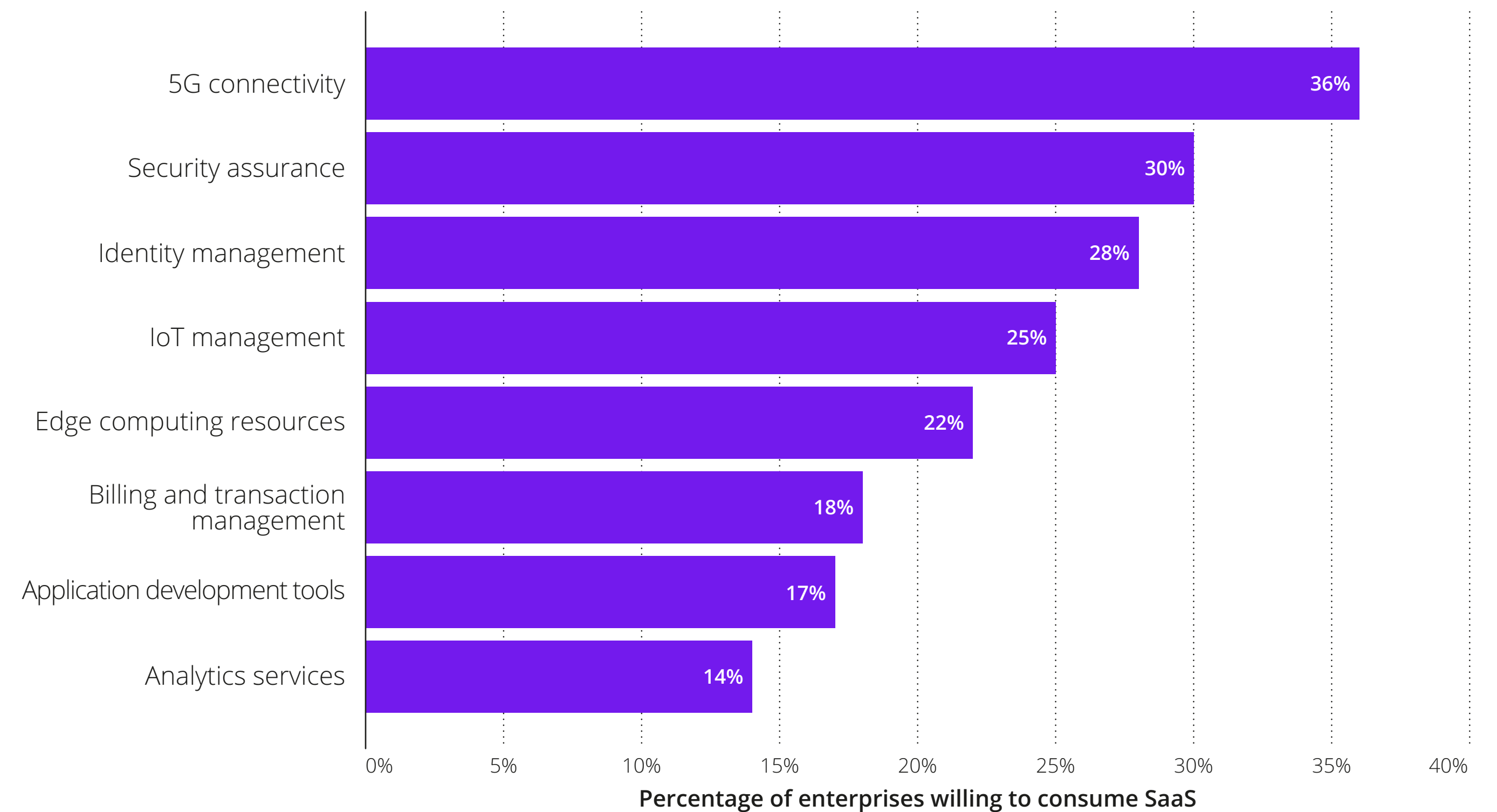
## PUBLIC CLOUDS AND AS-A-SERVICE CONSUMPTION ARE COMMON AMONG ENTERPRISES

- Forty percent of enterprises would consider consuming new service types such as 5G as SaaS, and almost a quarter are open to edge as a service.
- Some security functions are acceptable as SaaS: rising volumes of data to be parsed make use of a public cloud a pragmatic option.
- What really matters to enterprises is performance transparency, accountability, and control over resources in the cloud

### HOW A MOBILE CORE AS SAAS CAN HELP

Operate as CSPs' key growth targets do; align to their business cycle. Support the premium SLAs that enterprises will pay for.

Enterprises: Which digital resources would you consume as SaaS from a public cloud?



NOTE: N=160  
SOURCE: OMDIA



# Address the security imperative

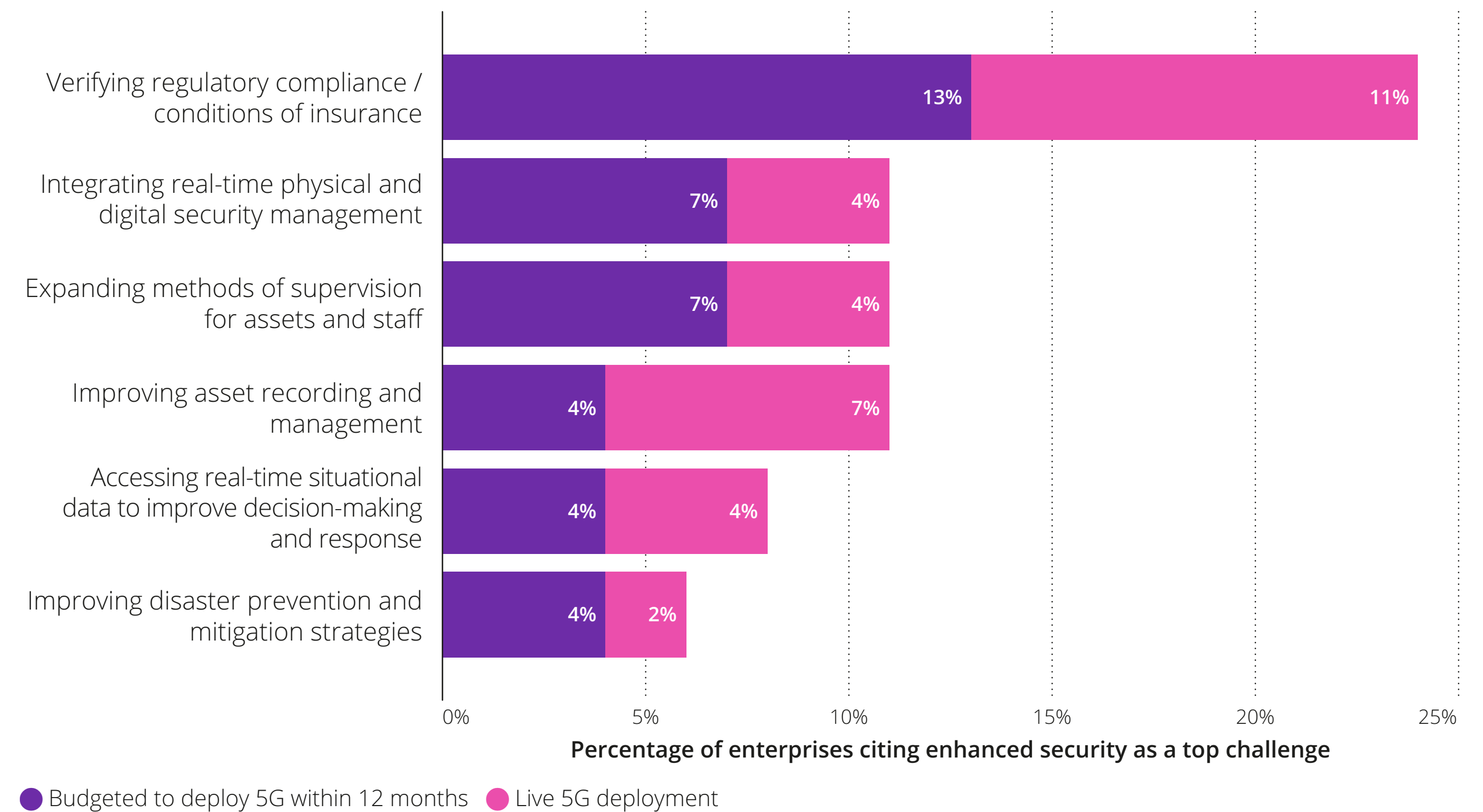
## TOWARD REAL-TIME COMPLIANCE

- Security is an evergreen issue that continues to evolve, and to command investment.
- Enterprises need 5G for real-time compliance, monitoring, and making better fact-based decisions during a crisis.
- Crisis response implies the need to flex digital assets on demand, but ongoing monitoring indicates a subscription model.

### HOW A MOBILE CORE AS SAAS CAN HELP

SaaS can handle the expanding perimeter and opportunity of security, either ad hoc or on a subscription basis.

Top enterprise challenge: Enhanced security – use of 5G in solution



NOTE: N=46  
SOURCE: OMDIA

# Be prepared for future disruption

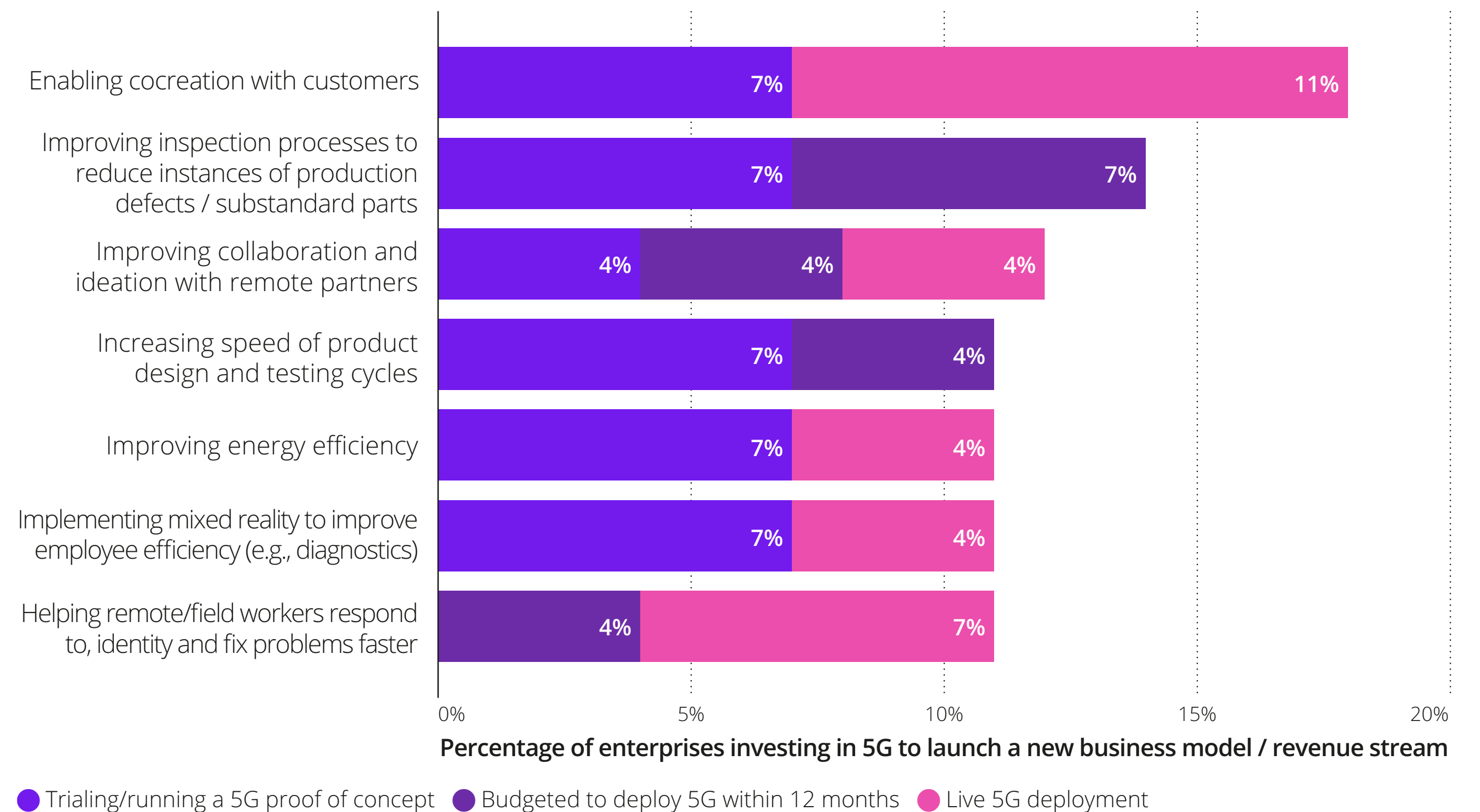
## EXPECT GROWING APPETITE TO EXPERIMENT

- The number of enterprises describing themselves as innovators has quadrupled from pre pandemic levels.
- Enterprises investing in 5G to support a new business model or revenue stream are a small but growing minority.
- These enterprises are looking to 5G to accelerate collaborative ideation and improve product quality and output.

### HOW A MOBILE CORE AS SAAS CAN HELP

SaaS-delivered CSP operations can provide on-demand resources and tight orchestration to satisfy enterprise appetite for experimentation.

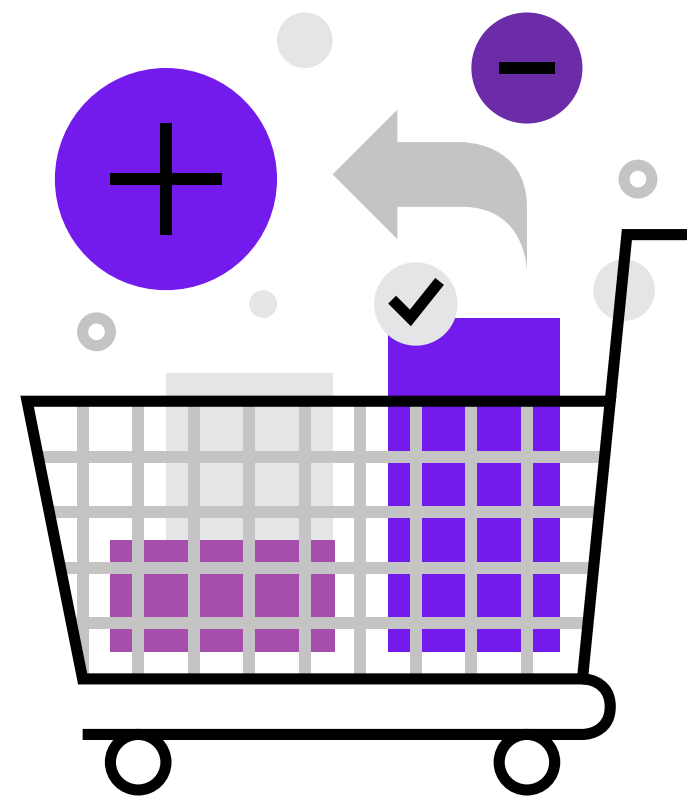
Enterprise innovators, current and planned uses of 5G



NOTE: N=28  
SOURCE: OMDIA

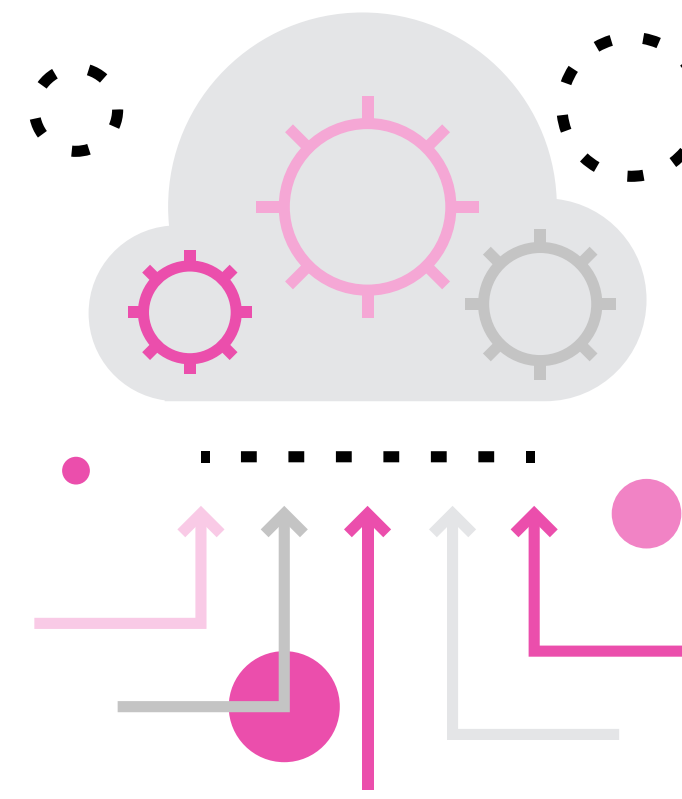


# Next steps



## Make 5G snackable

- Focus on off-the-shelf enterprise 5G monetization not just à la carte services offering uncertain profit margins.
- Use mobile core as SaaS to industrialize access to new digital experiences across a wider range of B2B customers.



## Mirror enterprise consumption

- Follow your enterprise customers' lead: make SaaS in a public cloud a preferred consumption model.
- Use mobile core as SaaS to automate resource management, freeing up in-house experts to focus on strategic decisions.



## Fuel innovation appetites

- Make cocreation sprints common, not only between CSP network and enterprise lines of business but also between CSPs and enterprise customers.
- Use mobile core as SaaS to ideate, test, and launch new services faster.

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We combine the expertise of more than 400 analysts across the entire technology spectrum, covering 150 markets. We publish over 3,000 research reports annually, reaching more than 14,000 subscribers, and cover thousands of technology, media, and telecommunications companies.

Our exhaustive intelligence and deep technology expertise enable us to uncover actionable insights that help our customers connect the dots in today's constantly evolving technology environment and empower them to improve their businesses – today and tomorrow.

\*The majority of IHS Markit technology research products and solutions were acquired by Informa in August 2019 and are now part of Omdia.



# Methodology

Omdia conducted a dedicated survey of 160 enterprise technology decision makers about their 5G investment plans. Industries represented include manufacturing, healthcare, energy and utilities, transportation, public safety, sports and entertainment.

## Further reading

Trends to watch 2023: Enterprise 5G Monetization

Enterprise 5G survey insights 2022

Enterprise Strategy: How to Satisfy Innovative Ambition

Making Enterprise 5G Pay: The Human Factor

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